

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF COMMUNITY AFFAIRS**

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**CDBG****Community Development Block Grant Program****MANAGEMENT MEMORANDUM****Memorandum Number: 01-09****TO: All Eligible Jurisdictions and Interested Parties DATE: September 11, 2001****SUBJECT: Changes in Reconstruction Policy**

Policy Changes

HISTORY:

The Department's reconstruction policy dates back to the early 1990's. At that time, reconstructions were not allowed. The State Department of Housing and Community Development (HCD) and the Department of Housing and Urban Development (HUD) negotiated a process wherein the local grantees submitted reconstruction requests to HCD and HCD submitted those requests to HUD for approval. This process successfully processed many reconstructions. Because of the excellent track record of the local grantees and HCD, HCD was able to convince HUD to allow HCD to approve reconstructions without having to get HUD approval. Recent Federal regulation changes now allow HCD to further streamline the reconstruction process and to allow more flexibility to local grantees in the manner in which they administer their housing rehabilitation programs and reconstructions.

NEW POLICIES:

This notice is to advise participants within the Community Development Block Grant (CDBG) program of the policy changes in reconstructions. These are significant changes and will need to be addressed in housing rehabilitation program guidelines. Grantees should consider local requirements for minimum size as well as insuring that increases in size of units or the number of rooms or bathrooms are reasonable. The Department will review housing rehabilitation program guidelines in regards to these items as well as the maximum loan amounts. The changes are as follows:

1. The Test For Reconstruction and the Request for Reconstruction no longer have to be submitted to HCD for approval. **The test is still required, must be completed and kept in the applicant file.**
2. The square footage of reconstructions no longer have to be within 100 square feet of the original square footage. Grantees should comply with the intent of the Federal statute which allows the rebuilding of a structure in substantially the same manner while allowing for deviations because of safety or if otherwise impractical.

3. The number of bathrooms and bedrooms are not restricted by the number of persons in the household.

Please be advised that the environmental review of reconstructions has not changed and the grantees that are going to do reconstructions still need to complete and submit a statutory checklist to HCD.

Rehabilitation projects still must adhere to the current policy in regards to adding rooms. Bedrooms and bathrooms may be added to alleviate overcrowding, health and safety issues and for ADA issues.

If you have any questions regarding this memorandum, please contact your field representative or call the CDBG program at (916) 445-6000.

